

# Proficiency Exercise for Extended Learning

## Very Short Answer Questions

### A. Multiple Choice Questions

(1 mark)

- The prescribed form of Balance Sheet for the companies has been given in the Schedule:  
(a) III, Part I (b) VI, Part I (c) VI, Part II (d) None of these
- The maximum amount of capital mentioned in the Memorandum of Association is known as:  
(a) Subscribed Capital (b) Authorised Capital (c) Called-up Capital (d) Paid-up Capital
- The shares on which the company has made final call but not received final call will be shown in Notes to Accounts as:  
(a) Subscribed Capital and fully paid (b) Subscribed but not fully paid  
(c) Paid-up Capital (d) None of the above
- 15,000, 6% Debentures issued on 1st April, 2016 and redeemable on 31st March, 2022 will be shown under:  
(a) Long-term Borrowings (b) Other Long-term Liabilities  
(c) Current Liabilities (d) Other Current Liabilities
- Profit earned during the year by the company is shown under:  
(a) Share Capital (b) Reserves and Surplus (c) Current Liabilities (d) Current Assets
- 'Trade Payables' include  
(a) Creditors (b) Bills Payable (c) All of the above (d) None of the above
- Which of the following is not included in Short-term Borrowings?  
(a) Loans repayable on demand (b) Bank Overdraft  
(c) Retirement benefits to employees (d) Cash Credit from Banks
- Which of the following is added to 'Subscribed Share Capital'?  
(a) Calls-in-Advance (b) Calls-in-Arrears  
(c) Forfeited Share Account (d) All of the above
- In the Balance Sheet 'Unclaimed dividend' is shown as:  
(a) Share Capital (b) Other Current Liability  
(c) Short term Provisions (d) Short-term Borrowings
- Which of the following is not classified as 'Non-current Assets'?  
(a) Vehicles (b) Trade Receivables  
(c) Investments in Property (d) Patents
- Provision for Provident Fund is shown in the Balance Sheet of a company under the head:  
(a) Reserves and Surplus (b) Non-current Liabilities  
(c) Short-term Provisions (d) Contingent Liabilities
- Proposed Dividend of a current year is a:  
(a) Contingent Liability (b) Surplus  
(c) Non-current Liability (d) Long-term Loan
- Goodwill is shown under the head:  
(a) Fixed Assets (b) Investments (c) Current Assets (d) Reserves and Surplus
- Calls-in-Arrears are deducted from:  
(a) Authorised capital (b) Issued capital (c) Subscribed capital (d) All of the above
- Stores and Spares are classified in Balance Sheet under:  
(a) Intangible Assets (b) Current Investments  
(c) Inventories (d) Cash and cash equivalents
- Cash and Cash equivalents do not include:  
(a) Cheques, draft on hand (b) Bank Deposits  
(c) Bank Overdraft (d) None of the above

17. Revenue earned from the sale of 'Stock-in-trade' is shown in the Statement of Profit and Loss as:
- (a) Revenue from Operations
  - (b) Other Incomes
  - (c) Any of the above
  - (d) None of the above
18. Interest earned on bank deposits by a company engaged in manufacturing electrical appliances is shown in the Statement of Profit and Loss as:
- (a) Revenue from operations
  - (b) Other Incomes
  - (c) All of the above
  - (d) None of the above
19. Interest received on investments by a financing company will be classified in Statement of Profit and Loss as:
- (a) Revenue from operations
  - (b) Other Income
  - (c) All of the above
  - (d) None of the above
20. Electricity and Telephone Expenses paid by the company are shown in Statement of Profit and Loss as:
- (a) Cost of Materials Consumed
  - (b) Employees Benefit Expenses
  - (c) Other Expenses
  - (d) Finance Cost